Labour Market Notes

Modest employment gains in November

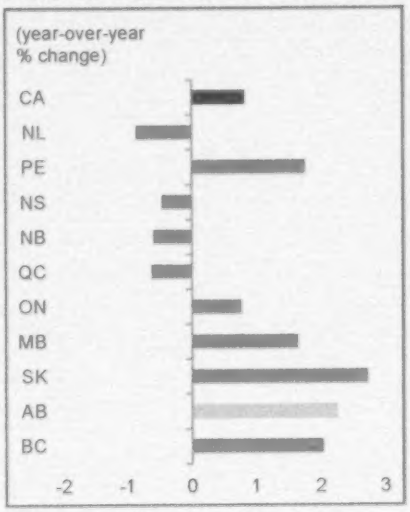
Alberta

- Employment edges higher. Alberta employment grew by a modest 3,200 in November, building on gains in the previous two months.
- Gains were in full-time and self-employment. Alberta gained 3,300 full-time jobs in November, while the number of part-time jobs was unchanged. Self-employment (+8,400) had the largest gains, while public sector (-2,600) and private sector (-2,500) saw losses.
- Alberta leads the provinces in year-to-date gains. Alberta has added 66,400 jobs over the first 11 months of 2014, which is 17,500 more jobs added than the next highest province. Also, Alberta's year-to-date job growth of 3.0% far exceeds the job growth in the other provinces over the same time period.
- Unemployment rate is unchanged. Alberta's unemployment rate was unchanged at 4.5% in November as labour force entry was approximately the same as the increase in employment. The rate remains the second lowest among the provinces behind Saskatchewan (3.4%).
- Goods-producing industry nearly reverses last month's losses. Goods-producing industries added 15,900 jobs in November. The increase was mainly in construction (+9,100), which nearly recouped its losses from the previous two months, and agriculture (+5,400). The service-producing industries lost jobs overall (-12,800), mostly due to professional, scientific and technical services industry (-11,000). Both transportation and warehousing (+6,600) and healthcare and social assistance (+6,500) posted gains.
- Earnings dip but growth remains positive. Average weekly earnings in September were $1,151, down 0.6% from August, but up 3.6% year-over-year (y/y). The goods-producing industries saw the steepest month-over month (m/m) decline (-1.4% m/m) but was still up 4.4% y/y. Earnings in the service-producing industries had a small monthly decline (-0.1% m/m) and were up 2.7% y/y.

Canada

- Employment stalls. In November, Canadian employment fell by 10,700 jobs after strong gains the previous two months. The employment losses were predominately in Ontario (-33,900) and Saskatchewan (-3,900), while Quebec (+19,600) and British Columbia (+4,200) posted the highest gains. Since November 2013, Canada has added 146,000 jobs, an increase of only 0.8% y/y.
- Unemployment rate ticks up. The Canadian unemployment rate increased by 0.1 percentage points to 6.6% in November.
- A solid month for earnings. Canadian average weekly earnings were $942 in September, 3.4% higher than a year ago.

Employment Growth by Province, November 2014 vs. November 2013



Source: Statistics Canada

Alberta Labour Market Indicators

Indicator	Latest*
Employment	2,296,900
month-over-month change	3,200
year-over-year % change	2.2%
Alberta Unemployment Rate (UR)	4.5%
Edmonton UR**	5.3%
Calgary UR**	4.4%
Participation Rate	72.6%
Average Weekly Earnings (AWE)	$1,150.84
year-over-year % change	3.6%
Average Hourly Wage	$28.12
year-over-year % change	1.8%
Job Vacancy Rate**	2.5%

Source: Statistics Canada

* All data is from the Labour Force Survey for November except AWE, which is from the September Survey of Employment, Payrolls and Hours (SEPH), and the job vacancy rate is for August.

** This indicator is calculated as a three-month moving average and is not seasonally adjusted.

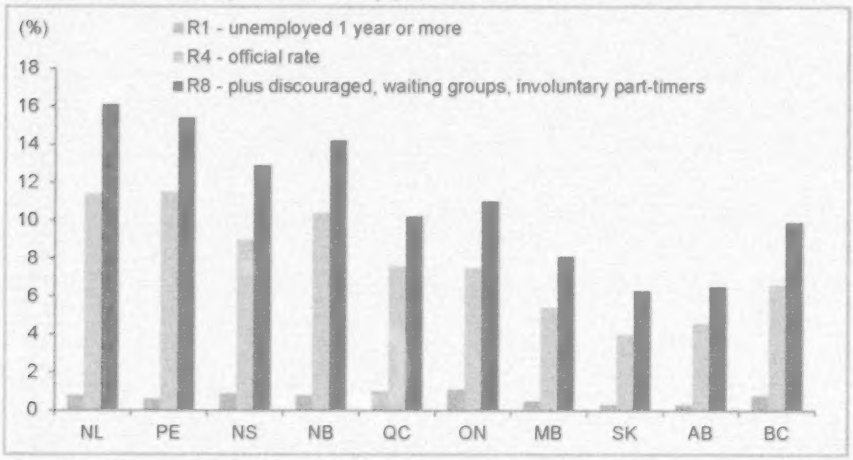
Alberta has low unemployment regardless of definition

Regardless of the unemployment rate used, Alberta remains one of the tightest labour markets throughout Canada and North America. In 2013, Alberta had the second lowest unemployment rate among the provinces, well below Canada's rate. Using the rate comparable to the United States, Alberta ranked in the lowest 5 unemployment rates across North America (see a previous Labour InSight). This month's Labour InSight shows that all supplementary unemployment rates point to strong labour market conditions in Alberta.

A variety to choose from

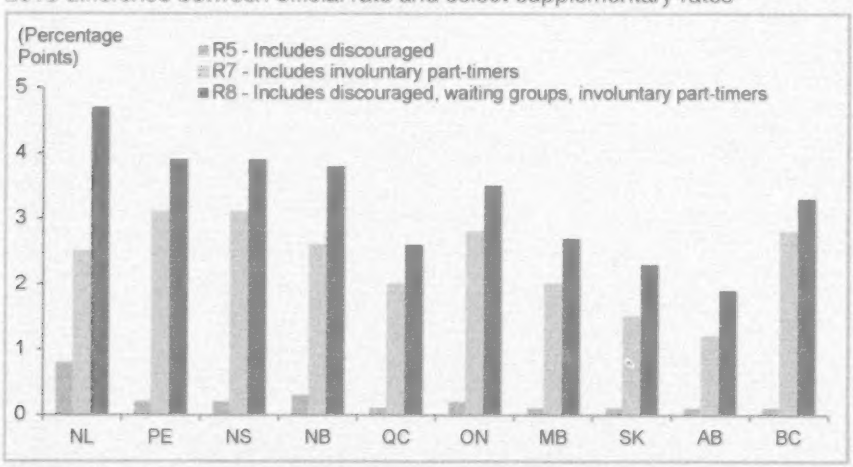
Unemployment rate definitions can be as narrow as to only include those who are unemployed for a year or more (called R1) or as broad as to include discouraged searchers (R5), those groups waiting for recalls or replies from employers (R6), involuntary part-timers (R7), or a combination of all three (R8). The official unemployment rate (R4) doesn't capture the underemployed or those who are waiting or stopped looking for work. Regardless of who is included in the definition, Alberta has consistently had one of the lowest unemployment rates among the provinces in 2013 (Chart 1).

Chart 1: Alberta's unemployment rate consitently among the lowest
2013 select unemployment rates by province



Source: Statistics Canada

Chart 2: Alberta has narrowest difference between official rate & select rates
2013 difference between official rate and select supplementary rates



Source: Statistics Canada

Consistently tight market

The narrowest unemployment rate (R1), which some refer to as structural unemployment, shows that Alberta had the lowest rate (0.3%) among the provinces and is substantially lower than Canada's 0.9% in 2013. At its broadest (R8), Alberta still has one of the lowest unemployment rates (6.5%) compared to Canada's 10.1%. A breakdown by age reveals the same result in unemployment rate rankings.

Involuntary part-timers raise the rates

Comparing the official rate (R4) with R5, which includes discouraged searchers, shows no significant increases. However, including involuntary part-timers (R7) adds 1.2 percentage points to the official rate. The difference between the most inclusive rate (R8) and R4 is 1.9 percentage points, the narrowest among the provinces (Chart 2).

Summary

The type of unemployment rate used can produce different analysis on labour market conditions. In Alberta's case, all definitions point to a much tighter labour market than almost any other province.

Contact

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